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INFO ARAB ISRAELI COLLECTIVE
IRAN COLLECTIVE
IRAQ COLLECTIVE
RHEHNSC/NSC WASHDC

C O N F I D E N T I A L CAIRO 007008

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STATE FOR NEA/ELA
NSC FOR WATERS

E.O. 12958: DECL: 11/27/2016
TAGS: [PREL](#) [PGOV](#) [BEXP](#) [EG](#) [IR](#) [IZ](#) [IS](#)
SUBJECT: EGYPT: CONGRESSWOMAN WATSON DISCUSSES REGIONAL
STABILITY WITH PM NAZIF AND OTHERS

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CLASSIFIED BY AMBASSADOR FRANCIS J. RICCIARDONE FOR REASONS
1.4 (B) AND (D).

11. (C) ON NOVEMBER 27, VISITING CONGRESSWOMAN DIANE WATSON AND THE AMBASSADOR MET JOINTLY WITH PRIME MINISTER AHMED NAZIF, MINISTER OF INVESTMENT MAHMOUD MOHEILDIN, AND MINISTER OF TRADE AND FINANCE RACHID RACHID, WHO ALL STRESSED THAT RESOLVING THE PALESTINIAN-ISRAELI CONFLICT IS OF THE UTMOST IMPORTANCE IN ORDER TO STABILIZE THE MIDDLE EAST. WATSON SOLICITED GUIDANCE ON HOW TO TRANSFORM THE "CHAOTIC SITUATION IN IRAQ." NAZIF, EMPHASIZING THE NEED FOR STRONG LEADERSHIP IN IRAQ, SAID THE U.S. HAD PUT THE "CARRIAGE BEFORE THE HORSE" IN FOCUSING ON DEMOCRACY BUILDING BEFORE CONCENTRATING ON STABILITY. NAZIF COMPARED IRAQ TO EGYPT, EXPLAINING THAT BECAUSE EGYPT HAS REACHED A LEVEL OF POLITICAL STABILITY, IT IS NOW READY TO EMBRACE SOME DEMOCRATIC REFORMS, BUT MUST MOVE SLOWLY. HE NOTED THE SUBSTANTIAL PROGRESS MADE OVER THE PAST TWO YEARS IN PARLIAMENT, IN WHICH FOUR POLITICAL PARTIES ARE REPRESENTED, AND 120 OPPOSITION MEMBERS ARE PARLIAMENTARIANS.

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12. (C) REFERRING TO HIS ENCOUNTER WITH IRANIAN VICE PRESIDENT DAVOUDI AT THE RECENT WEF IN ISTANBUL, NAZIF CAUTIONED AGAINST THE GROWING STRENGTH OF IRAN. THE PM DESCRIBED DAVOUDI'S SPEECH AS "ARROGANT AND FIERY," WHICH REFLECTS TEHRAN'S INCREASING SENSE OF POWER AND INFLUENCE. "HE WAS TALKING LIKE A VOICE FROM IRAN IN THE 1960,S. THEY THINK THEY ARE VERY POWERFUL, AND NOW THE CARRIERS OF THE FLAG OF ISLAM." MOHEILDIN ADDED THAT THE SURGE IN NATURAL GAS PRICES HAS GIVEN IRAN A NEW SENSE OF ECONOMIC MUSCLE AND IMPORTANCE IN THE REGION.

13. (C) RACHID STRESSED THE POSITIVE IMPACT THAT PROGRAMS SUCH AS THE QIZ HAVE HAD ON U.S.-EGYPTIAN TRADE IN RECENT YEARS, AND NOTED THAT EGYPT IS UNDERGOING MANY ECONOMIC REFORMS. THE AMBASSADOR ASKED THE CONGRESSWOMAN FOR HER VIEWS REGARDING A POSSIBLE REVIVAL OF THE FTA NEGOTIATIONS, TO WHICH SHE REPLIED THAT, WHILE SHE IS OPTIMISTIC THAT THE NEW CONGRESS WILL BRING MANY POLICY SHIFTS, THERE ARE MANY CONSIDERATIONS, INCLUDING DOMESTIC UNEMPLOYMENT AND JOB LOSS,

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THAT MUST BE CONSIDERED WHEN EVALUATING ANY NEW FTAS.

14. (C) DURING A SEPARATE HOUR-LONG NOVEMBER 27 MEETING IN HIS OFFICE, PARLIAMENTARY SPEAKER FATHI SUROUR ADVISED WATSON THAT ADDRESSING THE PALESTINIAN-ISRAEL CONFLICT IN A FAIR AND JUST MANNER IS THE KEY TO RESOLVING CONFLICTS ACROSS THE MIDDLE EAST, AND ALSO WARNED AGAINST RISING IRANIAN INFLUENCE IN THE REGION. WHILE CAUTIONING THAT, "THE FINGERS OF TEHRAN ARE EVERYWHERE IN THE MIDDLE EAST," SUROUR OPINED THAT A U.S. MILITARY STRIKE AGAINST IRAN WOULD BE A "FATAL MISTAKE" THAT WOULD SERVE ONLY TO RALLY ARAB STATES AROUND TEHRAN. SUROUR NOTED THAT HE PLANS TO VISIT CONGRESS IN 2007, WHICH CONGRESSWOMAN WATSON WELCOMED.
RICCIARDONE